



ADM Investor Services, Inc.

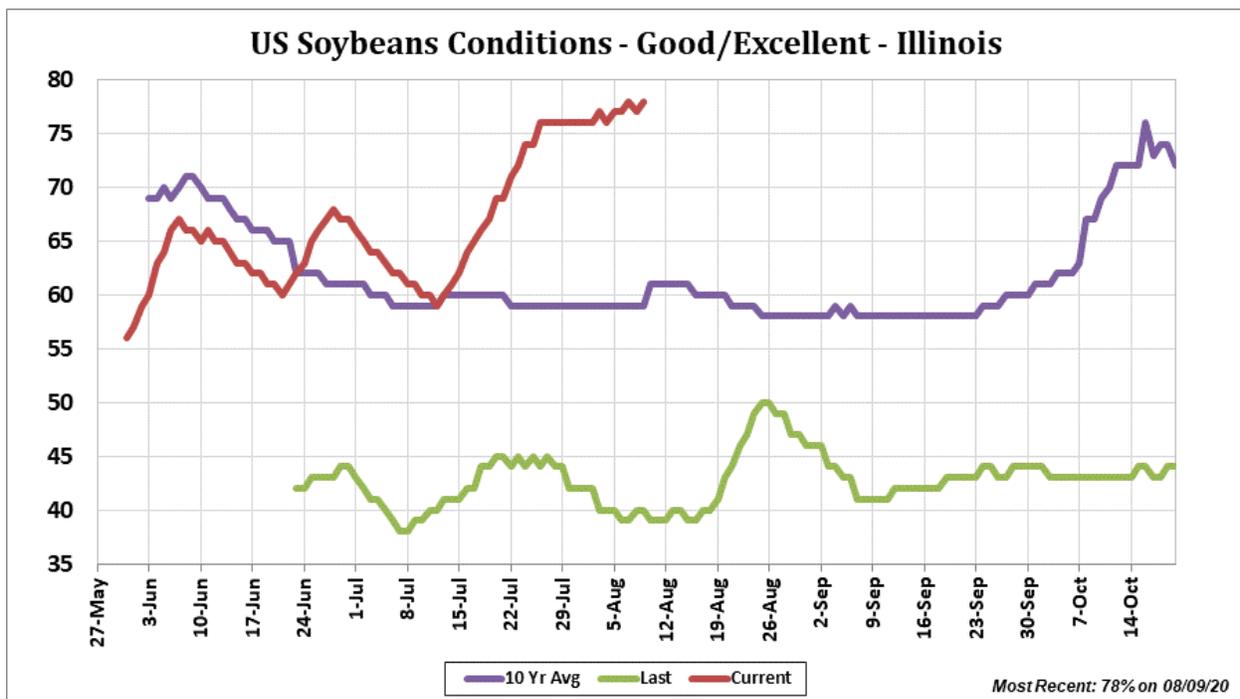
ADM Investor Services Market View

August 11, 2020 by Steve Freed

Soybeans, corn, and wheat traded higher. Soyoil traded lower. US stocks were higher. Gold was sharply lower. US talking about capital gains tax cut. US Dollar was lower.

SOYBEANS

Soybean edged higher. US announced a small new crop soybean sale to China. Some now estimate that China has bought 12 mmt of US new crop soybeans to date or 440 mil bu. USDA is estimating that US 2020/21 soybean exports will increase 400 mil bu from this year. Still a large US 2020 soybean crop could still increase US 2021/21 carryout 120 mil bu to 550. That could still pressure prices lower. The average trade guess for US 2020 soybean crop is near 4,258 mil bu versus USDA 4,135. Range of guesses is 4,135 to 4,399. There is a private guess that the final crop could be 4,496. This week, US crop watchers estimated that only 2 pct of the soybean crop could see below trend yield, 20 pct trend and 73 pct of the crop above trend. The average trade guess for US 2020/21 soybean carryout is near 525 mil bu versus USDA 425. There is talk of a record 2021 Brazil soybean crop which would also be negative to prices. World vegoil prices continue to trend lower led by palmoil.



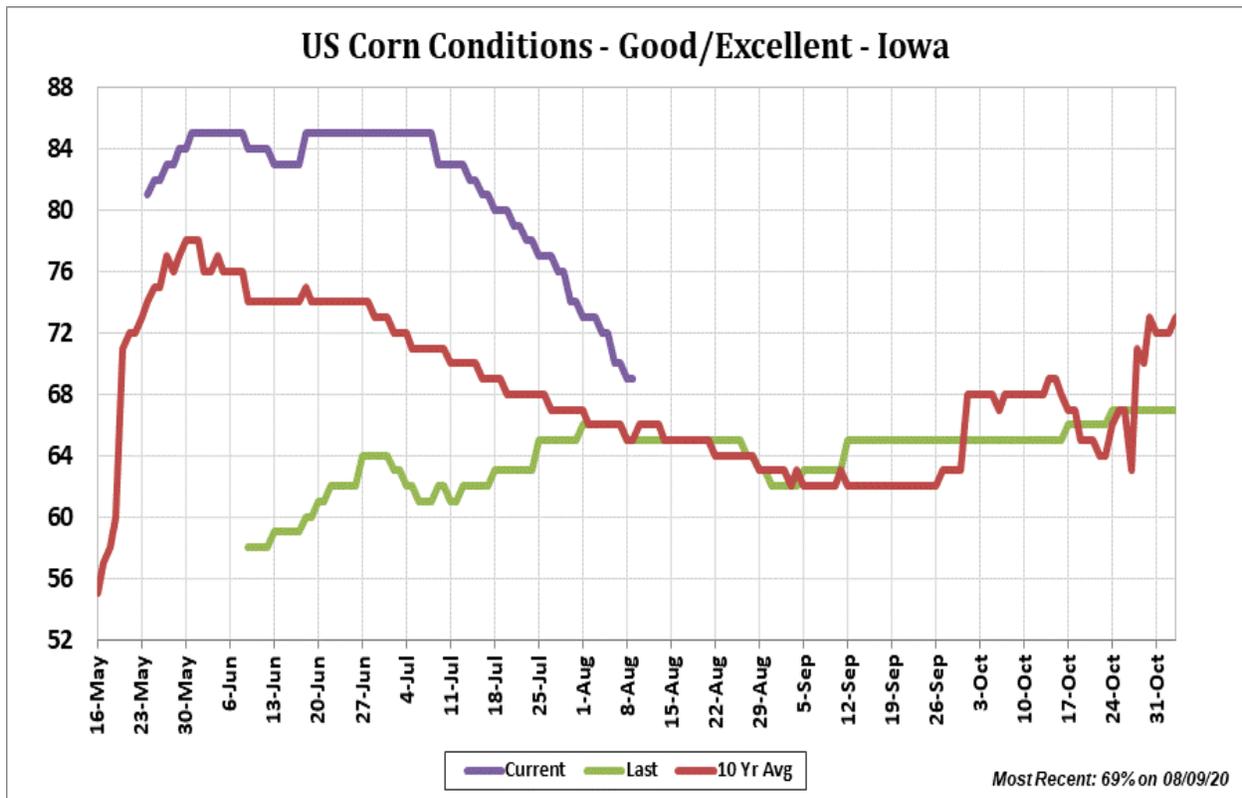
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CORN

Corn futures edged higher. Talk that USDA will increase US 2020 corn crop and 2020/21 US corn carryout on tomorrow's report offered overhead resistance. Over the last 2 days there has been some short covering in front of the report. Strong domestic cash basis is also triggering new bull spreading. US farmer continues to be a reluctant seller of cash corn. The average trade guess for Wednesday US 2020 corn crop is near 15,170 mil bu versus USDA 15,000. This will be the first official NASS crop estimate. It will be only a farmer survey. Range of guesses is 14,925 to 15,401. This week, US crop watchers estimated that 10 pct of the crop could see below trend yield, 29 pct trend and 53 pct of the crop above trend. The average trade guess for US 2020/21 corn carryout is near 2,800 mil bu versus USDA 2,648. Increase supply without equal increase in demand could continue to weigh on prices. The big news overnight was the severe wind storm that moved across Iowa. One US seed company estimated that 10 million Iowa corn acres were impacted. Iowa farmers planted 13.55 million corn acres this year.



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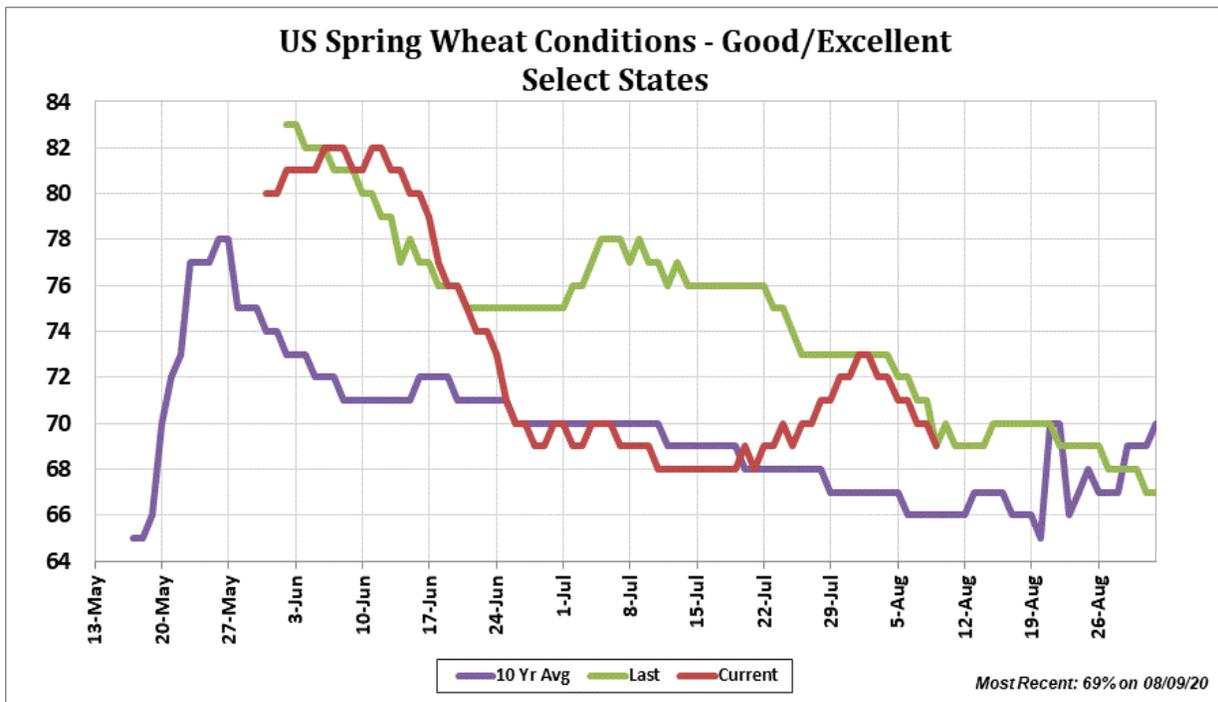


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WHEAT

Wheat futures traded higher before USDA August crop report and US and World supply and demand report. Chicago Sep found support near 4.90. Resistance is near 5.11. Open interest remains low. Volume has increased the last few days. KC Sep made new contract lows this week in increase trade volume and open interest. Minn Sep also made new lows this week also on increase volume and open interest. The average trade guess for US 2020 wheat crop is near 1,833 mil bu versus USDA 1,824. Key to wheat numbers is if USDA increases Russia, Canada and Australia crops and adds to already record World supplies. USDA dropped US spring wheat crop rating. USDA estimated US winter wheat harvest near 90 pct done. US farmers over the next 30 days will have to start making decisions on US 2021 winter wheat planted acres. Topsoils have dried out across the US south plains. Egypt bought 2 cargoes of Russian wheat in their tender and prices below their last tender.



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